

Message Text

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ACTION COME-00

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FM AMEMBASSY SANA

TO SECSTATE WASHDC PRIORITY 2272

INFO AMEMBASSY JIDDA

UNCLAS SANA 3456

DEPT PLEASE PASS TO DEPT OF COMMERCE

E.O. 11652: NA

TAGS: BTIO, YE, BENC

SUBJECT: CONSTRUCTION IN YAR

SUMMARY: YARG PROPOSES LET SEVERAL RATHER LARGE CONTRACT ON VERY SHORT NOTICE. AMERICANS FIRMS WISHING TO BID AS CONSULTANTS OR RPT OR CONTRACTORS ON TWO 300,000 TONS-PER-AMMUN CEMENT PLANTS AND CONSTRUCTION OF BERTHS AND MARINE WORKS AT PORT OF MOKHA MUST SUBMIT BIDS 20 SEPTEMBER. THIS PROCEDURE OBVIOUSLY PRESENTS PROBLEMS, WHICH ARE INCREASED BY FACT THAT SPECIFICATIONS ALMOST NONEXISTENT. HOWEVER, MONEY IS ON HAND AND YARG IS DETERMINED TO SPEND IT. CEMENT PROJECTS ALONG ARE ESTIMATED HERE AS \$100 MILLION DOLLAR DEALS. END SUMMARY.

1. YEMEN GOVERNMENT FINDS ITSELF IN NEW POSITION OF HAVING GREAT DEAL OF MONEY TO SPEND FOR MAJOR INFRASTRUCTURE PROJECTS. TO MEET COMPLAINTS THAT CENTRAL PLANNING OFFICE MOVES TOO SLOWLY IN AWARDING CONTRACTS, YARG HAS ADOPTED NEW TENDERING PROCEDURE. IT SELECTS SIX FIRMS FOR SHORT LIST WHICH ARE THEN APPROACHED DIRECTLY FOR SUBMIT QUICK BID. U.S. FIRM IS PRESEUMABLY ALWAYS ONE OF SIX. HOW FIRMS ARE SELECTED IS SOMEWHAT OF A MYSTERY TO US BUT GULF OIL REAL ESTATE DEVELOPMENT CO., OF RESTON, VA., UNCLASSIFIED

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8 7.S. COMPANY SELECTED TO BID ON TWO 300,00 TONS-PER-YEAR CEMENT PLANTS AND CONSTRUCTION OF MOKHA PORT.

2. WE DON'T KNOW IF GULF OIL REAL ESTATE DEVELOPMENT CO. HAS EVER HANDLED DEVELOPMENT PROJECTS OF THIS SORT AND GIVEN PAUCITY OF SPECIFICATIONS, DESIRE OF YARG TO SELECT CONSULTANT AND CONTRACTOR AT SAME TIME AND VERY SHORT LEAD

TIME OFFERS ARE DUE 20 SEPTEMBER, IT MIGHT NOT RPT NOT RESPOND. THEREFORE, TO MAXIMIZE OPPORTUNITY AMERICAN COMPANIES MIGHT HAVE IN RESPONDING TO BIDS, WE HAVE APPROACHED YARG AND GOTTEN AGREEMENT TO CONSIDER OFFERS FROM OTHER AMERICAN COMPANIES, NOT ON SHORT LIST. REQUEST THEREFORE DEPARTMENT OF COMMERCE AND EMBASSY JIDDA NOTIFY SELECTED FIRMS ON THE FOLLOWING PROJECTS:

3. MOKHA PORT-SUPERVISION AND CONSTRUCTION OF BERTH AND MARINE WORKS. FIRST CONTRACT IS FOR A CONSULTANT TO THE YAR TO SUPERVISE THE WORK OF A CONTRACTOR WHO WILL BE ASKED ON A TURNKEY BASIS TO (A) BUILD EITHER (YES, EITHER) A FLOATING DOCK OR SOLID BERTH PLUS ACCESS BRIDGE AND ABUTMENT, (B) DREDGE ANCHORAGE AND TURNING BASIN TO MAXIMUM 9 METERS BELOW WATER MARK, (C) CONSTRUCTION OF STONE BREAKWATER OF 750 METERS, (D) INSTALLATION OF NAVIGATIONAL AIDS, (E) RECLAMATION OF SHORE AREA BETWEEN MOKHA AND EXISTING PIER.

4. CONSULTANT SHOULD STUDY AND RECOMMEND MOST SUITABLE TENDER, ADVISE ON CONTRACT PREPARATION; SUPERVISE WORK OF CONTRACTOR; APPROVE INTERIM BIDS OF CONTRACTOR; ACCEPT FINISHED WORK AND FINAL ACCOUNTS. OFFER FROM CONSULTANT SHOULD INCLUDE COPY OF THE FOLLOWING: A. LIST OF SIMILAR ASSIGNMENTS CARRIED OUT IN THE PAST, INCLUDING THE VALUE OF WORK DONE, B. CURRICULA VITAE OF KEY PERSONNEL TO UNCLASSIFIED

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BE EMPLOYED FOR THIS ASSIGNMENT, GIVING PAST EXPERIENCE AND SPECIALIZATION OF EACH, C. INDICATION OF THE METHOD TO BE USED FOR THE CALCULATIONS AND REIMBURSEMENT OF FEES, D. DETAILS OF TOTAL SUM OF COSTS (IN A SEPERATE SEALED ENVELOPE.)

5. OFFERS MAY BE SUBMITTED TO THE FOLLOWING ADDRESS:
CENTRAL PLANNING ORGANIZATION
PO BOX 175
SANA, YEMEN ARAB REPUBLIC
CABLE: CENPLAN YR
TELEX: 266 CENPLAN YE

6. SIMULTANEOUSLY RPT SIMULTANEOUSLY CPO HAS REQUESTED TENDER FOR ACTUAL CONSTRUCTION OF THIS PORT. FILLING OUT EXTREMELY SKETCHY DESCRIPTION OF SPECIFICATIONS YARG NOTES THAT ADDITIONAL SURVEYS, SITE INVESTIGATIONS FOR PREPARING DIMENSIONED LAYOUT PLAN SHOULD BE RESPONSIBILITY OF CONTRACTOR. TENDER DOCUMENTS, DRAWING, TIME SCHEDULES, AND DESIGNS SHOULD ACCOMPANY OFFER, AND YARG WANTS KNOW SIMILAR ASSIGNMENTS DONE IN PAST INCLUDING THE VALUE OF WORK DONE, FINANCIAL TERS AND

CONDITIONS OF PAYMENT AND TWO PERCENT OF THE COST AS
TENDER BOND VALID FOR 90 DAYS APPROVED BY ANY BANK
WORKING IN YEMEN.

7. TWO 300,00 TONS CEMENT PLANST. TENDER OFFER WHICH
HAS BEEN SENT OUT IN LAST TWO WEEKS BY CPO IS AGAIN FOR
BY RPT BOTH SUPERVISION AND CONSTRUCTION OF CEMENT
PLANT FO AMRAN (NEAR CAPITAL CITY OF SANA) AND CEMENT
PLANT AT MAFRAQ (WHICH IS ROAD JUNCTION BETWEEN MOKHA
AND TAIZ). FOR AMRAN, FEASIBILITY STUDY WHICH AS BEEN
CARRIED OUT BY DAR AL HANDASA CONSULTANTS IS OBTAINABLE
IN CPO AGAINST PAYMENT OF U.S. \$500.

8M FOR MAFRAQ NO FEASIBILITY STUDY IS "REQUIRED OR
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AVAILABLE" ACCORDING TO CPO BUT OFFER OF CONSTRUCTION
SHOULD INCLUDE INVESTIGATION OF RAW MATERIALS AND
DETERMINATION OF LOCATION OF PLANT. JOB IS SAME AS AMRAN
WHICH IS DESCRIBED AS "TURNKEY PROJECT," INCLUDING PLANS,
DESIGNS, SPECIFICATIONS, COST ESTIMATES, CONSTRUCTION,
ERECTION OF EQUIPMENT, TESTING AND COMMISSIONING OF A COM-
PLETE CEMENT FACTORY WITH ALL PERTAINING FACILITIES SUCH AS
OFFICES, RESIDENCES, ROADS, WATER SUPPLY, DRAINAGE,
POWER SUPPLY, ETC.

9. COMMENT: DISORDERLY PROCEDURE USED SHOULD NOT
OBSCURE FACT THAT YARG HAS \$200 MILLION PLUS FOR
THESE PROJECTS AND IS DETERMINED TO SPEND IT AS SOON
AS POSSIBLE. IN DOING THEY WILL DEPEND HDAVILY
ON BONA FIDES AND PAST RECORD OF AWARDEE, SINCE THEY
HAVE LITTLE TECHNICAL EXPERIENCE IN THESE AREAS AND
NO EXPERIENCE IN CONTRACT IMPLEMENTATION.
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Disposition Event:
Disposition History: n/a
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AMERICANS FIRMS WISHING TO B
TAGS: BTIO, BENC, YE
To: STATE
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